

LATE TESTIMONY

NEIL ABERCROMBIE
GOVERNOR



Jan S. Gouveia
Acting Comptroller

Deputy Comptroller

STATE OF HAWAII
DEPARTMENT OF ACCOUNTING
AND GENERAL SERVICES
P.O. BOX 119
HONOLULU, HAWAII 96810-0119

TESTIMONY
OF
JAN S. GOUVEIA, ACTING COMPTROLLER
DEPARTMENT OF ACCOUNTING AND GENERAL SERVICES
TO THE
HOUSE COMMITTEE
ON
ECONOMIC REVITALIZATION & BUSINESS
ON
January 24, 2012

H.B. 1676

RELATING TO PUBLIC WORKS

Chair McKelvey and members of the Committee, thank you for the opportunity to submit testimony on H.B. 1676.

The Department of Accounting and General Services opposes H.B. 1676 because it will unnecessarily increase the administration and/or oversight responsibilities of government contracting agencies, increase the cost of projects, and possibly increase the number of protests filed.

Thank you for the opportunity to submit testimony on this matter.

The Twenty-Sixth Legislature
Regular Session of 2012

**LATE
TESTIMONY**

HOUSE OF REPRESENTATIVES
Committee on Labor & Public Employment
Rep. Karl Rhoads, Chair
Rep. Kyle T. Yamashita, Vice Chair
State Capitol, Conference Room 309
Tuesday, January 24, 2012; 9:00 a.m.

**STATEMENT OF THE ILWU LOCAL 142 ON H.B. 1676
RELATING TO PUBLIC WORKS**

The ILWU Local 142 supports H.B. 1676, which establishes a preference for the use of American iron, steel, and manufactured goods in the construction, alteration, or repair of public works.

The steel industry in the U.S. has suffered from a proliferation of imports from other countries. Lower cost is usually the reason for the shift towards imports. However, the lowest cost does not necessarily mean the best quality or the best investment. Low-cost products from foreign countries may be the result of exploitation due to lower wage, labor, safety, and environmental standards--certainly not what we should support.

Public works projects using taxpayer dollars must be concerned not only about cost but about quality and the bigger picture. If Hawaii's public works projects use American-made materials, Hawaii will be supporting American industry and the American economy.

While the State's purchase and use of steel manufactured in the U.S. may have little impact in the global economy, enactment of this bill demonstrates Hawaii's public policy towards goods manufactured in the U.S. and good-paying jobs that support our economy and the American people.

The ILWU urges passage of H.B. 1676. Thank you for the opportunity to testify.

1065 Ahua Street
Honolulu, HI 96819
Phone: 808-833-1681 FAX: 839-4167
Email: info@gcahawaii.org
Website: www.gcahawaii.org



GCA of Hawaii

GENERAL CONTRACTORS ASSOCIATION OF HAWAII

Quality People. Quality Projects.

LATE TESTIMONY

Uploaded via Capitol Website

January 24, 2012

TO: HONORABLE REPRESENTATIVES ANGUS MCKELVEY, CHAIR,
ISAAC CHOY, VICE CHAIR AND MEMBERS OF THE COMMITTEE ON
ECONOMIC REVITALIZATION & BUSINESS

SUBJECT: **COMMENTS AND CONCERNS REGARDING H.B. 1676, RELATING TO
PUBLIC WORKS.** Establishes a preference for the use of American iron, steel,
and manufactured goods in the construction, alteration, or repair of public works.

NOTICE OF HEARING

DATE: Tuesday, January 24, 2012
TIME: 8:30 AM
PLACE: Conference Room 312

Dear Chair McKelvey, Vice Chair Choy and Members of the Committee:

The General Contractors Association (GCA) is an organization comprised of over six hundred (600) general contractors, subcontractors, and construction related firms. The GCA was established in 1932 and is celebrating its 80th anniversary this year; GCA remains the largest construction association in the State of Hawaii. GCA is submitting **comments and concerns** regarding H.B. 1676, Relating to Public Works.

H.B. 1676 proposes to establish a preference for the procurement of iron, steel, and manufactured goods produced in the United States in all contracts for the construction, reconstruction, repair, improvement or maintenance of public works in the State.

Although GCA understands the intent of this bill, which is reinvigorate and support the production of American-made products, the implementation of such legislation will do the opposite for the construction industry. Such legislation will not only slow public works projects due to possible unavailability of material, but also drive up the costs due to the limited market supply of particular materials. GCA is opposed to mandating any type of preference for products used on public works projects.

Although Section 3(b) provides exceptions to mandating use of American made products, the administrative procedure presents enforcement and quality control issues that may be difficult to implement and monitor. The proposed requirement will impose unnecessary and unintended consequences and costs for the contractor and the state and therefore, we recommend that this bill not be approved by the committee.

We respectfully request that this bill be held.

Thank you for the opportunity to testify on this measure.